

Scooters India Limited

(A Government of India Enterprise)

Post Bag No.23, GPO, Sarojini Nagar, Lucknow---226008 Uttar Pradesh, India

CIN: L25111UP1972GOI003599 Telephone No.0522---2496242, 0522---2496200,

Fax No.0522-2496190 E-mail: companysecretary@scootersindia.com Website: www.scootersindia.com

SIL: CS: BM: 264:2020

February 13, 2020

BSE Limited, Mumbai
1st Floor, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001

Subject: Outcome of board meeting held on December 31 2019 - Approval of Un-Audited Financial Results for the Quarter ended at December 31, 2019(AS PER IND-AS)

Sir,

Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that the Board at its 264th Meeting held on Thursday, February 13, 2020 has adopted Un-Audited Standalone Financial Results for the quarter ended on December 31, 2019 along with the Limited Review report.

We are enclosing herewith the following:

1. Un-Audited Standalone Financial Results for the Quarter ended at December 31, 2019.
2. Limited Review Report.

The meeting commenced on February 13, 2020 at 01:30 PM. The meeting was concluded at 4:15 PM.

With regards,

Yours faithfully,
For Scooters India Limited,


(Renati Sreenivasulu)
Chairman & Managing Director
DIN - 07634253

SCOOTERS INDIA LIMITED

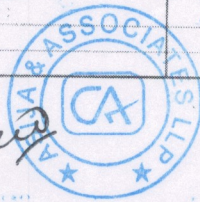
(CIN-L25111UP1972GOI003599)

Regd. Office : Post Bag No 23, Sarojini Nagar, Lucknow

Website : www.scootersindia.com

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR QUARTER AND NINE MONTHS ENDED 31.12.2019

Sr. No	PARTICULARS	Quarter Ended				Nine Year Ended		(in lakhs)
		31.12.2019	30.09.2019	30.06.2019	31.12.2018	31.12.2019	31.12.2018	Year Ended
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from Operations	2,001.66	1,767.21	1,369.20	1,600.31	5,138.07	4,511.94	6,385.20
II	Other Income	33.06	32.03	29.83	43.58	94.92	163.39	214.52
III	Total Income (I+II)	2,034.72	1,799.24	1,399.03	1,643.89	5,232.99	4,675.33	6,599.72
IV	Expenses							
	Cost of materials consumed	1,118.40	840.40	845.35	1,379.92	2,804.15	2,892.05	4,546.59
	Purchases of Stock in Trade							
	Changes in inventories of Finished Goods, W.I.P and Stock in trade	207.36	615.65	342.32	(389.80)	1,165.33	(58.10)	(606.56)
	Excise Duty on Sale							
	Employee benefits expense	486.61	481.60	513.88	531.17	1,482.09	1,619.80	2,230.05
	Finance costs							
	Depreciation and amortization expense	48.48	48.47	48.47	47.80	145.42	143.40	193.30
	Other expenses	387.33	154.55	313.86	135.69	855.74	398.59	599.60
	Total Expenses (IV)	2,248.18	2,140.67	2,063.88	1,704.78	6,452.73	4,995.74	7,062.98
V	Profit/(loss) before exceptional items and tax (I- IV)	(213.46)	(341.43)	(664.85)	(60.89)	(1,219.74)	(320.41)	(463.26)
VI	Exceptional items							
VII	Profit/(loss) before tax (V- VI)	(213.46)	(341.43)	(664.85)	(60.89)	(1,219.74)	(320.41)	(463.26)
VIII	Tax expense:							
	(1) Current tax							
	(2) Deferred tax							
IX	Profit (Loss) for the period from continuing operations (VII-VIII)	(213.46)	(341.43)	(664.85)	(60.89)	(1,219.74)	(320.41)	(463.26)
X	Profit/(loss) from discontinued operations							
XI	Tax expense of discontinued operations							
XII	Profit/(Loss) from Discontinued operations (after tax) (X-XI)							
XIII	Profit/(loss) for the period (IX+XII)	(213.46)	(341.43)	(664.85)	(60.89)	(1,219.74)	(320.41)	(463.26)
XIV	Other Comprehensive Income							
	A (i) Items that will not be reclassified to profit or loss							
	- Gain / (Loss) of defined benefit Obligation							(46.10)
	(ii) Income tax relating to items that will not be reclassified to profit or loss							
	B (i) Items that will be reclassified to profit or loss							
	(ii) Income tax relating to items that will be reclassified to profit or loss							
XV	Total Comprehensive Income for the period (XIII+XIV)(Comprising Profit (Loss) and Other Comprehensive Income for the period)	(213.46)	(341.43)	(664.85)	(60.89)	(1,219.74)	(320.41)	(509.36)
XVI	Earnings per equity share (for continuing operation):							
	(1) Basic	(0.24)	(0.39)	(0.76)	(0.07)	(1.40)	(0.37)	(0.58)
	(2) Diluted	(0.24)	(0.39)	(0.76)	(0.07)	(1.40)	(0.37)	(0.58)
XVII	Earnings per equity share (for discontinued operation):							
	(1) Basic							
	(2) Diluted							
XVIII	Earnings per equity share (for Discontinued & Continuing and operation):							
	(1) Basic	(0.24)	(0.39)	(0.76)	(0.07)	(1.40)	(0.37)	(0.58)
	(2) Diluted	(0.24)	(0.39)	(0.76)	(0.07)	(1.40)	(0.37)	(0.58)



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Notes:

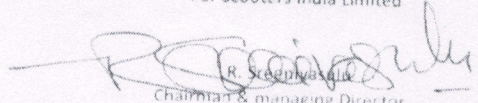
1. The above financial results of Scooters India Limited (the Company) for the quarter & nine months ended 31st Dec., 2019 have been reviewed by Audit Committee and approved by the Board of Directors at their meeting held on 14th February 2020 and have been subjected to limited review by the Statutory Auditor of the Company.
2. The Company adopted Indian Accounting Standards (IND AS) from 1 April 2017 accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Accounting Standards 34 - Interim Financial Reporting - (IND AS 34) prescribed under section 133 of the Companies Act 2013, read with the relevant rule issued thereunder and other accounting principles generally accepted in India.
3. Regarding revision of pay of Officers w.e.f. 01.01.2007, the proposal of implementation of revision with cutoff date 01.04.2013 for all officers on the rolls of the Company on 01.04.2013, has been forwarded to the Ministry for consideration. Regarding revision of wages of workmen w.e.f. 01.01.2007 for all workmen on the rolls of the Company on 01.04.2013, the consent for implementation of wage revision with a cutoff date 01.04.2013 had been sought from workmen of the Company.
4. The Company's business falls within a single business segment in terms of the Indian Accounting Standard 108 "Operating Segments" and hence additional disclosures not required.
5. Revenue from Operations for the Quarter & Nine months ended 31st Dec., 2019 is net of Goods and Service Tax (GST) which is applicable from July 1, 2017.
6. Under Previous GAAP, leasehold land was shown as part of fixed assets, similarly under Ind AS all leases are considered as finance leases and therefore are shown as part of fixed assets under Non-Current assets.
7. The financial results for the Quarter & Nine months ended 31st Dec., 2019 have been subjected to limited Review by the statutory auditors. These results have been prepared based on the information compiled by the Management. However, the Management has exercised due diligence to ensure that the financial results for the Quarter & Nine months ended 31st Dec., 2019 provide a true and fair view of the results of the Company in accordance with Ind AS.
8. Expenditure capitalized & prior year items has been adjusted in other expenditure.
9. Previous period figures have been regrouped / reclassified wherever necessary to confirm to current period classification.

Place: New Delhi

Date: 13th February 2020



On behalf of Board of Directors
For Scooters India Limited


R. Soodhakar
Chairman & managing Director
DIN



Asija & Associates LLP

Chartered Accountants

LLPIN : AAH-3862

(An Entity Registered with Limited Liability)

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INDEPENDENT AUDITORS' REVIEW OF INTERIM FINANCIAL RESULTS

**TO THE BOARD OF DIRECTORS
SCOOTERS INDIA LIMITED**

1. We have reviewed the accompanying statement of unaudited financial results of **Scoters India Limited** ('the Company') for the quarter ended 31st December, 2019 ("the statement") attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing obligation and Disclosure Requirement) Regulation 2015 read with SEBI Circular No. CIR/ CFD/ FAC/ 62/ 2016 dated 5th July, 2016. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Results Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free from material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

2. Emphasis of Matter

a) We have reviewed the financial results and other information for the quarter ended 31st December, 2019 which is solely based on the financial information compiled by the management and that the Financial Statements give a true and fair view and are free from material misstatement, whether due to fraud or error subject to **Annexure-1** enclosed with this report.

For & Behalf of:

Asija & Associates LLP

Chartered Accountants

(FRN: - 003155C/ C400011)

CA Kamal Kumar Verwani

(Sr. Partner)

(M. No.-402982)

UDIN : 20402982AAAAAC6574



Place: Lucknow

Date: 13th February, 2020

Audit Observations of Limited Review Audit for Quarter 3 of the FY 2019-20

**TO THE
BOARD OF DIRECTORS
SCOOTERS INDIA LIMITED**

1. Observations related to Outstanding Demand in the Income Tax Department

- 1) During the course of Audit, it has been observed by us that the Outstanding TDS demand of ₹ 1,68,940.00 relating to prior years were raised by the department and which is not yet paid. Details for the same are as follows:

Financial Year	Quarter	Form	Short Payment	Interest on Short Payment	Total Payable
2007-08	Q1	26Q	₹ 7,660.00	₹ 7,260.00	₹ 14,920.00
2009-10	Q3	24Q	₹ 92,174.00	₹ 61,848.00	₹ 1,54,022.00

In pursuance to the above it has been observed that appeal has been made by the management in this regard but the same has not been considered as a result the outstanding demand is still appearing on the **TRACES** website for the above-mentioned Financial Years. Further, the latest follow up action on the same has been taken in the month of February 2020 & June 2019 through letter dated 04/02/2020 & 10/06/2019 respectively.

Thus, we are of the opinion that until the demand is rectified the amount of ₹ 1,68,940.00 should be shown as a **Contingent Liability** in a footnote in the Financial Statements.

- 2) During the course of Audit, it has been observed by us that the Outstanding demand of ₹ 14,94,52,863.00 relating to prior years were raised by the Income Tax Department. Details for the same are as follows:

C. No.	Assessment Year	Section Code	Date on which Demand Raised	Amount (₹) of Outstanding Demand
1.	2009-10	220 (2)	09/12/2019	₹ 3,13,984.00
2.	2013-14	263	29/12/2018	₹ 12,38,81,579.00
3.	2014-15	154	03/07/2018	₹ 82,99,080.00
4.	2015-16	154	03/07/2018	₹ 1,69,58,220.00

In pursuance to the same, the following reply has been given by the management:

- a) **Case 1:** The notice of the demand has not been physically served to the company.
b) **Case 2:** The appeal for the respective case is pending before **Income Tax Appellate Tribunal (ITAT)**.
c) **Case 3 & 4:** The appeal for both the cases is pending before **Assessing Officer (A.O.)** respectively.



2. Observations Related to Rent

- 1) During the course of audit, certain discrepancies related to the rent has been observed by us:
 - a) The company has taken warehouses in **5 (FIVE)** Regions on lease viz, Pune, Chennai, Hyderabad, Kolkata and Patna out of which the Lease/ Rent Agreement of only 1 Region i.e., Chennai has been provided to us and the payment of rent for all the remaining warehouses are made on the approval basis. However, we are of the opinion that there must exist a Lease/ Rent Agreement between the Parties for the adequate information about the lease such as:
 - i) Timely Renewal of the rent Agreement in case of expiry of the periodicity of the lease.
 - ii) To determine the accurate lease rent of the premises.
 - iii) To serve as a legal evidence in the court of law in case of future disputes.
 - b) While verifying the approval for release of pending rent payment for Patna warehouse constituting period from 01.07.2017 to 30.09.2018, it has been observed by us that pending rent of ₹ 2,94,000.00 has been released on the basis of request Letter from Mr. Sanjeev Ghosh which has not been furnished to us. Thus, we could not verify the authenticity of the payment made by the company.
 - c) While scrutinising the rent ledger, we observed that the rent for Hyderabad and Kolkata Warehouses valued at ₹ 13,941.00 and ₹ 11,964.00 respectively paid during the quarter. In pursuance to the same, we were informed that both the Regional Offices has been closed and the same has been verified by us after checking the accounting codes 30712 and 30710 that no inter-transactions have taken place between R.O. and Head Quarter of SIL since Financial Year 2018-2019.
 - d) While further scrutinising, it has been observed by us that the payment of rent for warehouses located in different Regions made by the company on irregular basis.
 - e) As per Clause No. 8.5 of Significant Accounting Policy there are specified items which are to be accounted for on receipt basis and does not cover the accounting of rent. On scrutinising the payment of rent, we observed that the accounting treatment of the same has been done once the payment is actually being made by the company i.e., on the cash basis as a result organisation is not following the significant accounting policies.

3. Observations Related to GST

- 1) During the course of Audit, it has been observed by us that the IGST payable amounting to ₹2,77,576.11 out of which amount of ₹ 1,68,928.11 is standing since September 2019. However, as per the provisions of IGST Act, 2017 the same should be paid by the 20th of the subsequent month i.e., October, 2019 in this case under the Account Code 00713 (GST Payable Other State).

4. Other Observations

- 1) During the course of audit, it has been observed by us that the Salary Payable amounting to ₹2,67,542.00 to the Contractual Employees (Regular) who are not associated with the company are outstanding over a period of several years and appearing in the books of accounts of the company under the head of Liability. Thus, it has been assured by the management that the same shall be written off in the next quarter i.e., Quarter-4.
- 2) During the course of our audit, it has been informed to us by the concerned official from the Purchase Department that the reconciliation sheet of Raw Material Component is prepared by the management annually and the same shall be verified by us in the last Quarter.

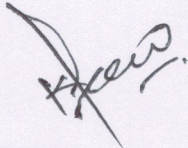


- 3) Compliance on the report of Previous Quarter (Q2) that has a financial impact on the books of accounts of the company are still pending. (For Detail Refer Attachment 1).
- 4) During the course of audit, it was observed that following assets relating to Financial Year 2016-17 are still under inspection:

S.No.	MIR No.	MIR Date	Party Name	Account Code	Amount (₹)
1	2000101	31/03/2017	HMT (International) Limited	10909	66,51,884.00
2	2000101	31/03/2017	HMT (International) Limited	10909	66,51,884.00
3	2000101	31/03/2017	HMT (International) Limited	10909	20,51,605.00
4	2000101	31/03/2017	HMT (International) Limited	10909	20,51,605.00
TOTAL PROVISION as on 31-12-2019					1,74,06,978.00

- 5) During the course of audit, it has been observed that Penalty has been increased by BSE for the month of October- December, 2019 amounting to ₹ 9,77,040.00 to be payable by the company for which no provision has been made.
- 6) During the course of Audit, it has been observed by us that the basis of provision made in respect of Pension of Employees amounting to ₹ 4,82,018.50 has not been provided to us appearing under the head of Liability for expenses.

For & Behalf of
Asija & Associates LLP
Chartered Accountants
(FRN: - 003155C/ C400011)




CA Kamal Kumar Ferwani
(Sr. Partner)
(M. No.-402982)

Place: Lucknow
Date: 13th February, 2020

UDIN: 20402982AAAAAC6374

**Audit Observations for Review and Half Yearly Audit of Scooters India Limited FY
2019-20**

**TO THE BOARD OF DIRECTORS
SCOOTERS INDIA LIMITED**

Other Observations

- i) **Research & Development (60927):** During the course of Audit, it has been observed by us that the expenditure amounting to ₹ 7,92,454.77 incurred on Research & Development is related to development of Electronic Vehicle (EV), which is not launched by the company so far. In context to the same, we are of the opinion that the same should not appear in the head of R&D and be treated as **Deferred Revenue Expenditure**.
- ii) During the course of Audit, it has been observed by us that the provision in respect of certain service expenses are not made on the reasonable basis rather the same are being made on adhoc basis. The detail of the same is given below:

S. No.	Account Code	Service Expenses	Provision (₹)	Remarks
1)	60953	Free Service Coupon*	3,13,600.00	Refer Note 1
2)	60980	Pre-Sales-Services (Pre-Dispatch Inspection)	56,070.00	Refer Note 2
3)	60981	After-Sales services	39,576.37	NA
4)	60983	Warranty Replacement	5,72,975.91	NA

*Policy Related to Free-Service Coupon has not been provided to us during the course of our Audit and it has been informed by the management that there exists a practice of providing ₹ 100.00 per vehicles to the dealers as Free Service Charges for 30 years.

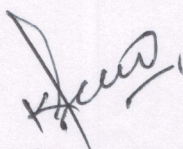
- iii) During the course of audit, it was observed that no Budget is being prepared by the company to predict its probable income, expenses and expected target. This may result in excess expenditure as compared to the incomes of the company. It is advised to the company to prepare budget on annual basis and compare it with the actual performance periodically to achieve the desired outcome.

For & Behalf of

Asija & Associates LLP

Chartered Accountants

(FRN: - 003155C/ C400011)




CA Kamal Kumar Ferwani

(Sr. Partner)

(M. No.-402982)

Place: Lucknow

Date: 13th February, 2020